



# JTPA

Number: D95-24

Serving the People of California

DIRECTIVE

Date: December 20, 1995

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TO: SERVICE DELIVERY AREA ADMINISTRATORS  
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS  
JTPD PROGRAM OPERATORS  
EDD JOB SERVICE OFFICE MANAGERS  
JTPD STAFF

SUBJECT: PAYMENTS TO PARTICIPANTS, SUPPORTIVE SERVICES AND  
FINANCIAL ASSISTANCE

## EXECUTIVE SUMMARY

### Purpose:

This Directive provides guidance for establishing locally developed policies and procedures governing the use of Job Training Partnership Act (JTPA) funds to provide various types of payments to participants including: supportive services and financial assistance, needs-based payments, needs-related payments, bonus and incentive payments, work-based training payments, and training payments for combined activities.

### Scope:

The guidance in this Directive applies to all services and/or payments to participants provided after the issuance of this Directive.

### Effective date:

The instructions in this Directive are effective on the date of issuance.

## REFERENCES

The JTPA:

- §4: Definitions: #24: Supportive Services and Financial Assistance; #37: Participant
- §165: Reports, Record Keeping and Investigations
- §204(a), (b)(2)(H, I and J) and (c)(3, 4 and 5): Title II-A Program Design

- §253(a)(2) and (c)(1)(A) and (d): Title II-B Use of Funds
- §264(b)(1)(A and D), (c) and (d)(4, 5 and 6): Title II-C Program Design
- §314(e): Title III Use of Funds

Final Rule, as published in the Federal Register on September 2, 1994: (Title 20 of the Code of Federal Regulations (20 CFR)):

- §627.300: Subpart C, Payments, Supportive Services, Benefits and Working Conditions: Scope and Purpose
- §627.305: Payments
- §627.310: Supportive Services
- §627.425: Standards for Financial Management and Participant Data Systems
- §627.435: Cost Principles and Allowable Costs
- §627.440: Classification of Costs
- §627.445: Limitations on Certain Costs
- §627.460: Requirements for Records
- §628.515: Objective Assessment
- §628.520: Individual Services Strategy
- §628.610: Title II-A Authorized Services
- §628.705: Title II-B Authorized Services
- §628.804(k): Title II-C Authorized Services
- §631.20: Title III, Subpart C, Needs-related Payments

## **STATE-IMPOSED REQUIREMENTS**

This Directive contains state-imposed requirements. These are printed in ***bold, italic type***.

## **FILING INSTRUCTIONS**

This Directive supersedes Interim Directive 93-9. Retain this Directive until further notice.

## **BACKGROUND**

The Job Training Partnership Reform Amendments of 1992 and the provisions in the Final Rule authorize Service Delivery Areas (SDA) to provide services and/or payments to participants. The Final Rule made certain changes governing how these types of assistance are to be provided. This Directive updates previous guidance issued on this subject.

## **POLICY AND PROCEDURES**

### **A. SDA Planning**

***Before developing policies and procedures for services and/or payments to participants, SDAs should take the following actions:***

- 1. Estimate the number of participants who could potentially receive such services and/or payments under each fund source and for each type of payment.***
- 2. Estimate the cost of providing such assistance for these participants to determine whether cost limitations would be exceeded.***
- 3. Determine what actions will be taken if cost limitations are reached or fund sources are not otherwise available to provide these services and/or payments.***
- 4. Determine which services and/or payments will be paid for directly by the SDA and which will be provided by service providers or by other non-JTPA providers.***

***Based upon the above decisions, SDA policies and procedures should include the following:***

- 1. Criteria to determine which participants will receive each type of payment or assistance, the conditions for receiving them, manner of providing payment, and the amount and frequency of each type of payment or assistance.***
- 2. Criteria to determine when the SDA will provide such payments or assistance directly or through a service provider.***
- 3. Procedures for documenting and recording all such assistance and payments provided either by the SDA or a service provider.***
- 4. Procedures to be followed if such payments or assistance cannot be provided, but are still needed by the participant in order to take part in the program.***

### **B. SDA Policy:**

Each SDA that elects to use JTPA funds to provide services and/or payments to participants must establish a policy governing the use, distribution and documentation of these payments and services. Locally developed policies on needs-based payments, needs-related payments, incentive and bonus payments, and supportive services (including financial assistance), must be documented in the

job training plan. ***However, the SDA must also establish policies for providing other allowable payments to participants (work-based training payments and training payments for combined activities). These other types of payments should, to the extent possible, meet the standards and provide assurances similar to those required for supportive service, financial assistance, needs-based payments, needs-related payments, and bonus and incentive payments.***

The SDA's written policies and procedures for supportive services, financial assistance, needs-based payments, needs-related payments, and bonus and incentive payments must be designed to assure the following:

1. That only those financial assistance, needs-based payments, and needs-related payments are provided that are necessary and reasonable, and do not duplicate services available from other sources.
2. That the financial assistance does not include post-termination services.
3. That bonus and incentive payments will be provided based on attendance and performance by the participants receiving them.
4. That to the extent possible, similarly situated participants receive similar payments.
5. That the SDA will meet applicable Internal Revenue Service and Fair Labor Standards Act requirements.
6. That participants do not receive payments for training activities in which they failed to participate without good cause.
7. That needs-based payments, supportive services and financial assistance will be based on the results of the ongoing Objective Assessment (OA) and documented in the Individual Services Strategy (ISS).

***All written policies and procedures for services and/or payments to participants established by the SDA must be designed to assure the following:***

1. That payment records will be maintained, complete and readily available for monitoring or audit reviews.
2. That participant records and financial records pertaining to payments to participants meet the standards for financial management and participant data systems contained in the Final Rule at §627.425.
3. That these records will be maintained in accordance with the record retention requirements contained in JTPA §165 and in Final Rule §627.460.
4. ***That service providers will maintain documentation necessary to support expenditures for these types of payments.***

- 5. That the SDA will verify accuracy, timeliness and record keeping by service providers.**

C. Standards For Payments to Participants:

1. The SDAs may set fixed levels for any non-wage payments made.
- 2. For needs-based payments, the OA and the ISS must provide for a periodic reassessment of need to accommodate any change in an individual's financial status.**
- 3. The actual rate and amount of needs-based payments may be determined by the SDA or the service provider based on the individual assessed need and locally developed formula or standard.**
4. For needs-related payments, the level of payments shall be made available at a level not greater than the higher of:
  - a) the applicable level of unemployment compensation; or
  - b) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

**ACTION:**

The SDAs must review and revise policy and procedures to ensure that they comply with requirements in this Directive. The SDAs should also bring this Directive to the attention of all staff and service providers associated with providing services and/or payments to participants.

**INQUIRIES:**

If you have any questions about the information contained in this Directive, please contact your Program Manager or Georganne Pintar, Manager of the Policy Unit, at (916) 654-8498.

/S/ VICKI J. JOHNSRUD  
Acting Chief